



CAPITOL AVENUE

D o w n t o w n F r e m o n t , C a l i f o r n i a

Capitalize on Fremont!

Capitol Avenue in Downtown Fremont is in the planning stages to become the premier pedestrian-scale, mixed-use, lifestyle center serving the East Bay. Located within Silicon Valley in southern Alameda County, Fremont has a population of over 208,000 residents, making it the 4th largest city in the San Francisco Bay Area.



High-Traffic Location

Situated at the traditional crossroads of Fremont (Fremont Blvd. and Mowry Avenue). Easy access from I-880 and I-680. Adjacent to the Fremont BART station. High traffic counts of 75,000 cars per day.

Exceptional Customer Base

Over 380,500 residents in the Primary and Secondary Trade Areas, including over 51,000 households with annual incomes exceeding \$100,000.

Under-Served Retail Market

Retail void with the Primary and Secondary Trade Areas having no competitive retail environment within 20 miles. Capitol Avenue will serve as the Main Street retail center and gathering spot for Fremont and its surrounding areas.

Unique Concept

A vibrant pedestrian-scale, mixed-use, lifestyle center is actively being planned. The City of Fremont is development-friendly and is the largest property owner along Capitol Avenue.

Retail Analysis

A comprehensive retail assessment study was prepared by Thomas Consultants along with a 600-person consumer survey of residents within the Primary and Secondary Trade Areas. This independent analysis indicates that Capitol Avenue can easily support 300,000 +/- sf of retail and entertainment uses, including branded comparison retailers, house & home, family entertainment, and upscale destination restaurants.

CAPITOL AVENUE

Downtown Fremont, California

Current Retail Void

A recently completed retail market assessment by Thomas Consultants indicates that Fremont's retail outflow to surrounding trade areas in the year 2000 was over \$1.1 billion. Downtown Fremont's current retail sales potential is just over \$387 million annually.

Given the tremendous opportunity to capture existing retail sales going elsewhere, the sales expenditure in Downtown Fremont could grow to \$882 million by 2005, \$1.09 billion by 2010, and to \$1.45 billion by 2020.

Residents are craving a pedestrian-scale, mixed-use, lifestyle center with a critical mass of retail stores and dining opportunities. The area currently lacks a diverse entertainment offering and selection of restaurants.

The San Francisco Bay Area retail market has become polarized to the north and south leaving Fremont as the missing link to serve the burgeoning southeast Bay Area region. There is a significant opportunity to introduce a new type of retail concept to the greater Fremont area.

The Opportunity

- The Primary and Secondary Trade Areas have a combined population of over 589,000 residents and 124,000 households
- Average household income in Fremont is over \$105,000
- Fremont residents are well educated with 64% having some college education
- Fremont is home to over 1,300 high-tech and biotech businesses
- Fremont has a daytime employment population of over 109,000
- Fremont is significantly under-retailed in comparison shopping and lacks a critical mass of much needed retail specialty stores and upscale dining
- The City of Fremont is the largest property owner along Capitol Avenue and actively supports a joint venture project with a developer
- Even with favorable market conditions, there is no competitive pedestrian-scale, mixed-use, lifestyle center within 20 miles. Initial development project can accommodate 300,000 +/- sf of retail uses

The Location

- At the crossroads of Fremont with high traffic counts exceeding 75,000 vehicles per day
- Adjacent to established retail tenants including Target, Trader Joe's, Barnes & Noble, Pier 1, Borders, Michaels, and Bed Bath & Beyond
- Capitol Avenue provides the connection between existing retail centers, solid institutional employers such as the City of Fremont and Washington Hospital (one of the Bay Area's premier medical centers), and the Fremont BART station

The Community

The City of Fremont is the perfect place to call home – for both businesses and families. Fremont offers a globally connected, affluent, well-educated population and a thriving high-tech business sector. The residential and business communities are eager to enjoy the amenities of specialty stores and upscale restaurants, which are currently missing.



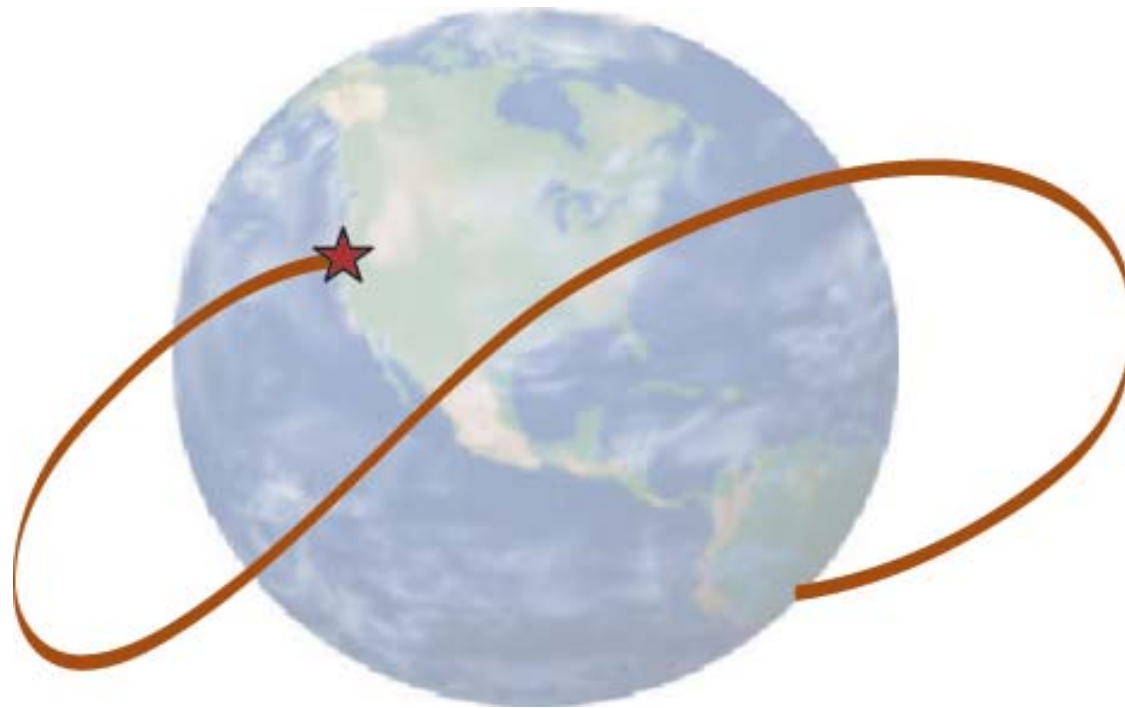


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***Four Top Reasons to Choose
Downtown Fremont***

- Fourth largest city in the San Francisco Bay Area
- Located in Silicon Valley
- Affluent, globally connected, well-educated population
- Family-oriented community with a large population of young adults entering their acquisition phase of life



Fremont: "Where Main Street Meets the World!"

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Downtown Fremont, California

Local Transportation Routes

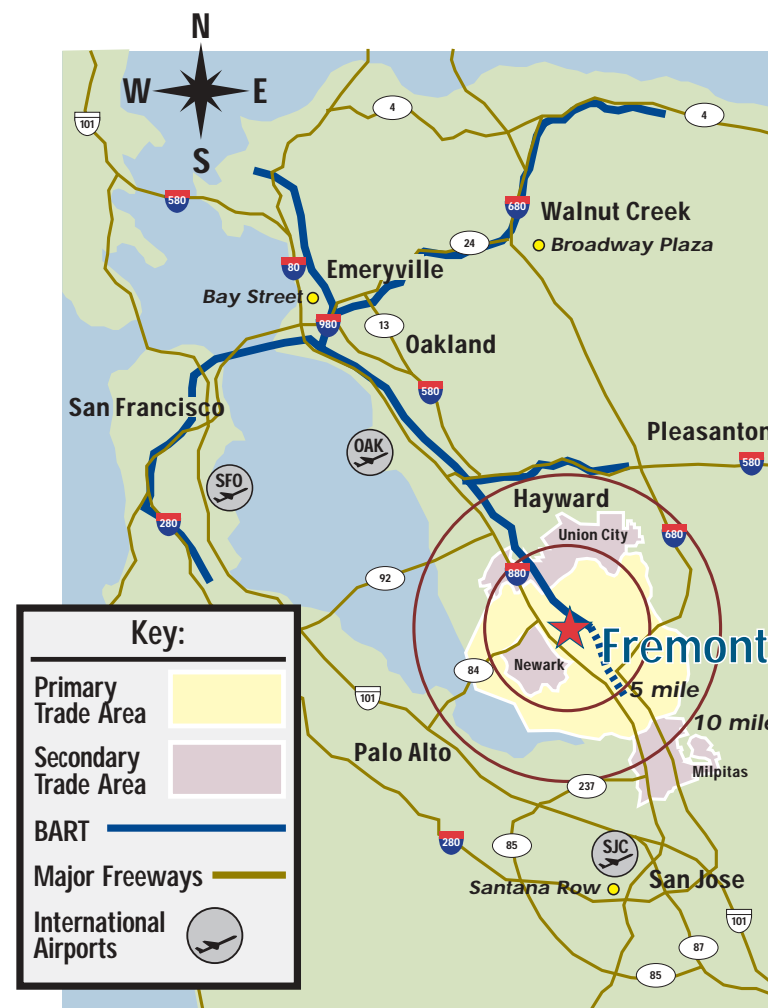
Fremont is centrally located in Silicon Valley within southern Alameda County, just 15 miles from San Jose or Palo Alto. Interstate 880, located on the west side of Fremont, provides a direct link with San Jose to the south and Oakland to the north. Interstate 680 flanks Fremont on the east and is the major corridor from Pleasanton and Contra Costa County communities.

State Highway 84 provides easy access from the Peninsula communities of Palo Alto, Menlo Park, and Mountain View.

The Bay Area Rapid Transit (BART) system provides access throughout the Bay Area with a BART station conveniently located in Downtown Fremont.

City	Distance	Driving Time
Newark	4.8 miles	5 minutes
Union City	8.6 miles	8 minutes
Milpitas	11.1 miles	10 minutes
Hayward	13.5 miles	15 minutes
Pleasanton	14.3 miles	20 minutes
Palo Alto	14.4 miles	20 minutes
San Jose	14.5 miles	20 minutes
Oakland	25.8 miles	30 minutes
San Francisco	37.1 miles	45 minutes





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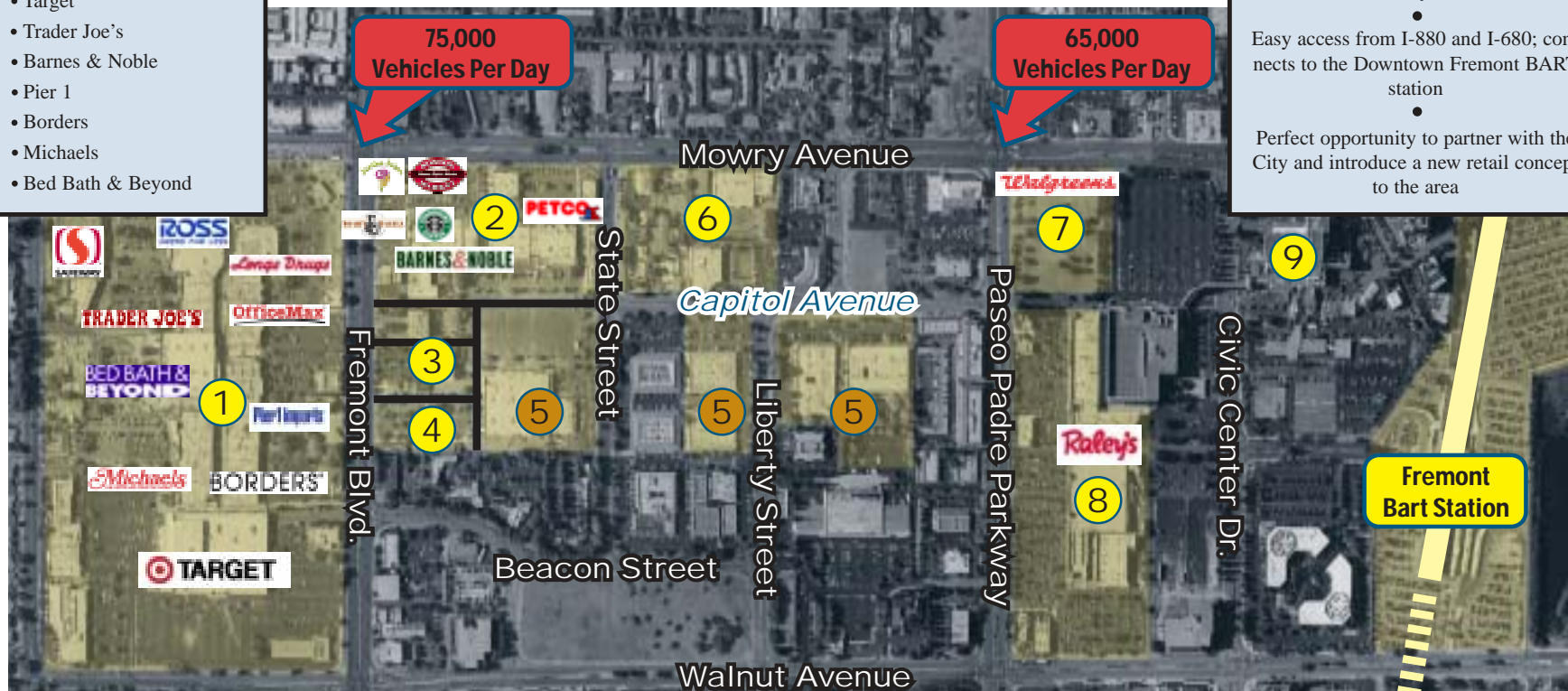
Adjacent to established retail tenants including:

- Target
- Trader Joe's
- Barnes & Noble
- Pier 1
- Borders
- Michaels
- Bed Bath & Beyond

75,000 cars per day pass through the heart of Fremont at Fremont Boulevard and Mowry Avenue

Easy access from I-880 and I-680; connects to the Downtown Fremont BART station

Perfect opportunity to partner with the City and introduce a new retail concept to the area



① The Hub Retail Center

③ Fremont Bank Property

⑤ City Owned Property

⑦ Washington West Shops

⑨ Washington Hospital

② Fremont Plaza Retail Center

④ Gas Light Square Retail

⑥ Potential Redevelopment Area

⑧ Gateway Plaza Retail Center

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Downtown Fremont, California

Retail Development Opportunity

An independent study by retail strategists, Thomas Consultants, indicates the following Downtown Fremont retail opportunity:

Downtown Retail Project

300,000 +/- sf of retail, entertainment, and restaurants

Recommended Positioning

Mixed-use street-oriented retail

Unenclosed lifestyle center

Region-wide convenience and service retail

Anchored By

- Entertainment
- Restaurants
- Lifestyle Retail
- Department Store
- Grocery/Supermarket
- Pharmacy

Target Market Segments

- Fremont Residents
- East Bay Residents
- South Bay Area Residents
- Fremont Area Employees
- Business Travelers
- Tourists & Visitors



CAPITOL AVENUE/DOWNTOWN RETAIL PROJECT SALES POTENTIAL

	2005	2010	2015
Convenience/Service Retail	\$86.3 million	\$113.3 million	\$138.9 million
Comparison Retail	\$39.1 million	\$49.2 million	\$67.0 million
Restaurants, Food & Beverage	\$33.5 million	\$44.6 million	\$52.2 million
Entertainment	\$9.7 million	\$11.6 million	\$13.5 million
TOTAL	\$168.6 million	\$218.7 million	\$271.6 million

* Source: Fremont Retail Market Assessment & Downtown Retail Strategy Study, Sept. 2002